

What is an SMSF?

A self-managed super-fund (SMSF) is where the individual or members, manage their own superannuation. An SMSF is run for the sole purpose of providing retirement benefits for the members.

Acceptable purposes for SMSF lending

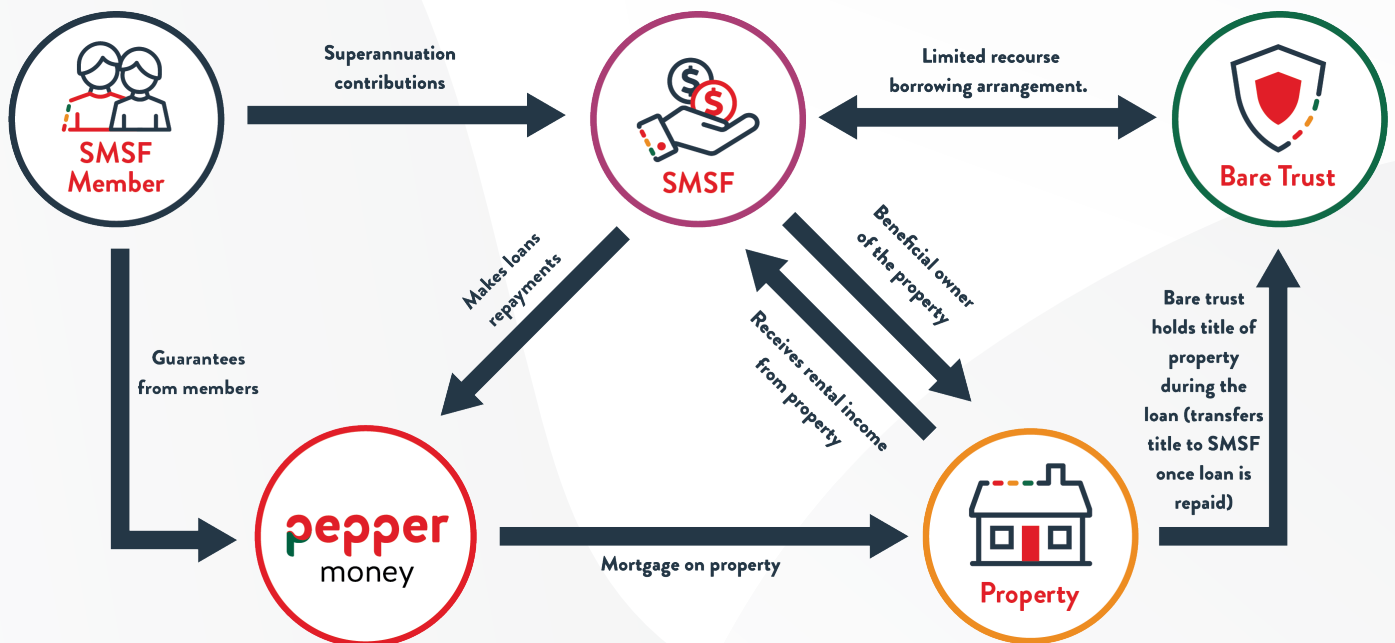
Any existing complying SMSF or are in the process of establishing and SMSF and wish to refinance or purchase an existing commercial or residential investment.

What properties can an SMSF be secured against?

Pepper will accept the following property:

- ✔ Residential (single title)
- ✔ Office
- ✔ Retail
- ✔ Multiple units (single title)
- ✔ Commercial
- ✔ Industrial
- ✔ Boarding houses or rooming
- ✔ Mixed use (single title)

Common structure For SMSF lending



Acceptable income

- ✔ Rental from the security property
- ✔ Compulsory member contributions
- ✔ Additional contributions that can be satisfactorily evidenced from re-occurring income streams
- ✔ Investment return on balance of SMSF assets

SMSF key product features

Acceptable Purposes

- ✔ Purchase property for investment purposes (third party tenancy)
- ✔ Purchase property for owner-occupied purposes (associated trading business)
- ✔ Refinance of current SMSF loan
- ✔ Available to corporate trustees only

Features

- ✔ Maximum loan term of 30 years with up to 5 years interest only
- ✔ No clawbacks
- ✔ Redraw available*
- ✔ No rate loading for interest only
- ✔ Loan size
 - Minimum \$100,000 and
 - Maximum residential \$3,000,000
 - Maximum commercial \$3,000,000
- ✔ LVR up to 90% for residential security and 75% for commercial security
- ✔ No liquidity test
- ✔ Digital submission via ApplyOnline

* For SIS Act compliant purposes only - Repairs and maintenance of the security. A maximum of 2 redraws are available per anniversary of the loan, to a maximum of 50k per transaction.

Mandatory Requirements for Application

- ✔ SMSF application form
- ✔ Signed Privacy Consent form
- ✔ Statement of financial position for each of the members
- ✔ Contract of sale (where applicable)
- ✔ Existing loan account statements (refinance)
- ✔ SMSF trust deed plus variations
- ✔ Bare trust deed
- ✔ Current lease agreement
- ✔ Guarantees from superannuation fund members
- ✔ Deed of declaration of property trust (confirming the property trustee holds the property on behalf of the SMSF)
- ✔ Superannuation fund deed statutory declaration (confirming the SMSF trustee has the right to enter the contract) and meeting SIS requirements
- ✔ 2 years of audited SMSF financials OR 2 years retail/ industry superannuation fund statements if a newly established SMSF
- ✔ Original loan agreement from existing lender if loan is being refinanced
- ✔ Serviceability calculator
- ✔ Minimum asset within SMSF fund required - \$150,000

For more information:

1800 PEPPER

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SMSF product is for corporate trustee SMSF borrowers only. Applications are subject to credit assessment, eligibility criteria and lending limits. Terms, conditions, fees and charges apply. Information provided is factual information only and is not intended to imply any recommendation about any financial product(s) or constitute tax advice. It is recommended that Independent legal, financial and tax advice is obtained.

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